

**U.S. Department of Housing and Urban Development  
Office of Community Planning and Development**

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**Special Attention of**

**All CPD Division Directors  
All HOPWA Formula Grantees**

**Notice CPD-03-11**

Issued: October 14, 2003

Expires: October 14, 2004

Cross References

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**SUBJECT: DESIGNATION OF ELIGIBILITY FOR FORMULA ALLOCATIONS  
UNDER THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS  
(HOPWA) PROGRAM IN FISCAL YEAR 2004.**

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**(I) Purpose:** This notice designates states and units of general local government that are eligible to receive an allocation of program funds under the formula component of the Housing Opportunities for Persons with AIDS (HOPWA) program. The designations apply the new standards and definitions for Metropolitan Statistical Areas (MSAs) and Metropolitan Divisions recently adopted by the Office of Management and Budget (OMB).<sup>1</sup> On June 6, 2003, OMB issued OMB Bulletin No. 03-04, *Revised Definitions of Metropolitan Statistical Areas, New Definitions of Metropolitan Statistical Areas and Combined Statistical Areas and Guidance on Uses of the Statistical Definitions of These Areas*. The bulletin establishes the revised definitions for MSAs and designates Metropolitan Divisions in those MSAs that have a single core with a population of at least 2.5 million. HUD is implementing the provisions of this bulletin as it relates to the HOPWA program for determining eligible metropolitan statistical areas (EMSAs), including the use of Metropolitan Divisions in allocating formula funds. The notice is applicable to all recipients of formula allocations under FY 2004 HOPWA grants.

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<sup>1</sup> See *Standards for Defining Metropolitan and Micropolitan Areas*, 65 FR 82228 (December 27, 2000).

**(II) General Information:** Under the Department's HOPWA program, HUD is required to allocate HOPWA funds based upon formula factors contained in the Section 854 of the AIDS Housing Opportunity Act (Public Law 101-625; 42 U.S.C. 12903). The amount allocated is based on the annual HUD Appropriations Act. For example, in FY 2003, the appropriation provided HOPWA funding of \$290.102 million, which was distributed as follows: (1) amounts designated for training, oversight and technical assistance activities--\$1.987 million; (2) amounts for formula programs, ninety (90) percent of the remaining amounts--\$259.304 million, as distributed through the Consolidated Plan process; and (3) amounts for competitive awards, ten (10) percent--\$28.811 million, as announced in the 2003 Super Notice of Funding Availability (SuperNOFA). These amounts will be adjusted for fiscal year 2004 based on the approved appropriations for this program.

For purposes of allocating formula funds, the AIDS Housing Opportunity Act requires HUD to use the AIDS surveillance data reported to and confirmed by the Centers for Disease Control and Prevention (CDC) as of March 31<sup>st</sup> of the immediately preceding fiscal year. For example, for the FY 2004 allocations, the date to be used in this allocation process is established by statute as the AIDS surveillance data as of March 31, 2003. HUD receives AIDS surveillance data from the CDC based on these requirements. In FY 2004, this data will be used for the following two parts of the formula calculation:

- (a) The statute requires that HUD allocate 75 percent of the formula amount to the qualifying jurisdictions for areas that have more than 1,500 cumulative cases of AIDS. The allocation is based on cumulative AIDS data for an EMSA or for an eligible state (for areas outside of any ESMA in that state). In FY 2004, this is expected to result in 117 eligible jurisdictions, including 79 cities and 38 states.
- (b) As required, HUD allocates 25 percent of the HOPWA formula amount among the qualifying cities, on behalf of the metropolitan statistical areas with more than 500,000 population where the per capita incidence of AIDS for the year preceding the fiscal year of the appropriation is higher than the average for all metropolitan statistical areas with more than 500,000 population. In FY 2004, this part of the formula is expected to be allocated to 24 cities on behalf of their respective EMSAs, which qualify for this part of the formula allocation.

The formula component has been modified in three ways by the administrative provisions of recent HUD appropriations acts. One provision authorized HUD to maintain the eligibility of states that otherwise would drop out of formula eligibility, when a metropolitan area in that state newly qualifies for a direct formula allocation (as it had 1,500 cases of AIDS in the relevant data report for that fiscal year). In these cases, the states allocation is based on the number of cases in the area of the state that is outside of the qualifying metropolitan areas. For example, in FY 2003, this provision applies to Arizona, Delaware, Hawaii, Minnesota, Nevada, and Utah. Other provisions allow the State of New Jersey to administer the amounts provided for the four counties in that state

that were included in the calculation of the FY 2003 allocation to the Philadelphia metropolitan area, and permits Wake County, North Carolina to administer the FY 2003 allocation to the Raleigh-Durham metropolitan area in place of the City of Raleigh. HUD had requested the continuation of these provisions in the FY2004 request, prior to the issuance of the new MSA definitions. As noted below, Camden, New Jersey is expected to qualify as a new formula recipient for a three county Metropolitan Division, in lieu of the provisions that authorize the state of New Jersey to undertake assistance in this area. In addition, the new MSA definitions established a Raleigh-Cary, NC, Metropolitan Statistical Area. HUD will further review the FY 2004 Appropriation Act provisions and make any appropriate adjustments in allocations, which may affect the contents of this notice, when enacted.

HOPWA awards are made to the qualifying cities within EMSAs and eligible states (24 CFR 574.3). The city grantees are required to serve eligible persons living anywhere within their respective EMSAs (24 CFR 574.120). The state grantee receives an allocation based on AIDS cases in the areas of the state that are outside of any EMSA. The state grantee should serve clients for these areas, although the regulations also allow the state to carry out activities anywhere within the state, including within an EMSA (24 CFR 574.3 definition of Eligible State). The state may also coordinate the use of other resources that address needs appropriately throughout the state.

State and local governments which are designated to receive a HOPWA formula allocation must follow the Consolidated Plan requirements found at 24 CFR part 91, such as requirements for citizen participation and consultation, the contents of the consolidated plan for a housing and homeless needs assessment, housing market analysis, multi-year strategic plan, and an annual action plan, certifications, and monitoring. At 24 CFR 91.100(b), consultation requirements for local governments further state that the largest city in each EMSA “must consult broadly to develop a metropolitan-wide strategy for addressing the needs of persons with HIV/AIDS and their families living throughout the EMSA.” A grantee may make an amendment to their strategic plan to implement this notice, as needed, for the related substantial changes in identifying priority needs and specific objectives for the HIV/AIDS elements of their Consolidated Plan. HOPWA elements are addressed under the special needs population and homeless section of the strategic plan requirements. The HOPWA activities to be carried out with FY 2004 funds would be identified in the grantee’s annual consolidated action plan.

**(III) Changes in Eligibility for FY 2004 Allocations.** The Department has determined that 117 formula grantees are expected to be made in FY 2004, pending approval of the Appropriation Act for this year. These include:

(a) Two states: (1) Iowa; and (2) Maryland, newly qualify for a formula allocation in FY 2004, based on AIDS data for the areas of the state which are outside of any eligible MSA in that state. In Maryland, this involves the areas of that state that are outside of the following three metropolitan areas: the Bethesda-Frederick-Gaithersburg, MD Metropolitan Division; the Washington-Arlington-Alexandria, DC-MD-VA-WV Metropolitan Division; and the Wilmington, DE-MD-NJ Metropolitan Division.

(b) The following nine cities will receive formula funding for the first time on behalf of their EMSAs:

- (1) Bridgeport, CT;
- (2) Augusta, GA;
- (3) Gaithersburg MD;
- (4) Cambridge MA;
- (5) Worcester, MA;
- (6) Warren, MI;
- (7) Jackson, MS;
- (8) Camden, NJ; and
- (9) Poughkeepsie, NY.

(c) Five jurisdictions, which have previously received HOPWA formula allocations in FY 2003, are not eligible for a FY 2004 formula allocation. However, these areas are included in FY 2004 formula allocations to another jurisdiction, which will serve as the grantee for HOPWA activities. The five areas are:

(1) and (2) Jersey City and Paterson, New Jersey, are included in the New York-Wayne-White Plains, NY-NJ Metropolitan Division. In FY 2004, New York City will be the recipient of funding for the area;

(3) Dover, New Jersey, is included in the Edison, NJ Metropolitan Division. In FY 2004, Woodbridge will be the recipient of funding for the area as it has become the jurisdiction with the largest population in this area;

(4) Greensboro, North Carolina, which ceases being a direct grantee, as their old MSA was divided into other areas and the remaining part has fewer cases of AIDS than the 1,500 cases statutory threshold required for eligibility. In FY 2004, the State of North Carolina will be the recipient of funding for the area; and

(5) Greenville, South Carolina, which ceases being a direct grantee, as their old MSA was divided into other areas and the remaining part has fewer cases of AIDS than the 1,500 cases statutory threshold required for eligibility. In FY 2004, the State of South Carolina will be the recipient of funding for the area.

(d) 106 other jurisdictions continue to be eligible for formula allocations, although many will have adjustments in their grant service areas, based on changes in the definitions of the MSAs or Metropolitan Divisions. These 106 jurisdictions include 36 States and 70 cities on behalf of their MSA or Metropolitan Division. One jurisdiction, Wake County, NC, would be authorized to administer funds on behalf of the Raleigh area, and six states (Arizona, Delaware, Hawaii, Minnesota, Nevada and Utah), as provided in the proposed continuation of the administrative provisions of the FY2004 Appropriation Act, pending approval. The list of these areas is provided in the attached

chart. In addition, the new MSA definitions make numerous changes in the prior service areas of these grants and these details are also provided in the attached chart.

**(IV) HUD Action:** HUD is implementing the requirements of the OMB notice in the FY 2004 HOPWA formula allocations. Historically, HUD has used the OMB designations for MSAs and primary metropolitan statistical areas (PMSAs) in identifying EMSAs. In 2000, OMB adopted new standards for defining MSAs, which use the term Metropolitan Division in place of PMSA. *See Standards for Defining Metropolitan and Micropolitan Areas*, 65 FR 82228 (December 27, 2000). Consistent with these new standards, HUD will use MSAs and Metropolitan Divisions in identifying EMSAs. As noted in the OMB notice, the MSA definitions became effective on June 6, 2003, see the OMB website at [www.whitehouse.gov/OMB](http://www.whitehouse.gov/OMB) go to “Bulletins” or to “Statistical Programs and Standards” for the details in OMB Bulletin No. 03-04.

**(V) Legal Authority:** Section 854(c) of the AIDS Housing Opportunity Act establishes the use of a formula allocation for the distribution of HOPWA program resources (42 U.S.C. 12903) and HUD regulations implement this authority at 24 CFR 574.100-190 for HOPWA requirements and at 24 CFR part 91 for Consolidated Plan requirements.

## **Attachment**

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**Distribution: W-3-1,**

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Previous editions are obsolete

form **HUD-21-B** (3/80)